



**Gary Community School Corporation**

*Doing What is Best for Students - Today - Tomorrow - Everyday*

## EMERGENCY MANAGER REPORT

### DISTRESSED UNIT APPEALS BOARD (DUAB)

September 13, 2018

Prepared by



**Gary  
Schools  
Recovery, LLC**



**Distressed Unit Appeals Board**

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Emergency Manager Report  
Prepared by Gary Schools Recovery, LLC  
September 13, 2018

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## I.0 LOAN REQUEST

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The Gary Community School Corporation (GCSC) is requesting that DUAB approve a request for a loan in the amount of \$3,300,000. The purpose of this loan is to provide sufficient cash resources to cover payroll in October and November, 2018. A review of GCSC projected cash flow for the months of October and November (included) indicates that without this additional support, GCSC will have insufficient cash resources to cover those payrolls. As a result, GCSC is requesting that DUAB approve a loan request of \$3,300,000 at their September 2018 meeting.

## PROJECTED CASH FLOW

Gary Community Schools Corporation  
 All Funds Except Food Services  
 Estimated Cash Flow Statement  
 September - November 2018

	9/5/2018	October	November
<b>Beginning Balance</b>	7,089,297	3,066,920	400,456
Less <b>Outstanding Checks</b>	(276,486)		
Plus <b>Loan Proceeds 1-14</b>			
<b>Net Cash Available</b>	6,812,811	3,066,920	400,456
Less <b>1st Monthly Payroll</b>	(1,100,000)	(1,100,000)	(1,100,000)
<b>Recurring Accounts Payable Payments Prior to the 15th :</b>			
Less Jive Communications	(10,000)	(10,000)	(10,000)
Less Indiana Water (3)	(40,000)	(40,000)	(40,000)
Less IN Workforce Dev	(22,000)	(22,000)	(22,000)
Less NIPSCO	(175,000)	(200,000)	(225,000)
Less Standard Insurance	(39,600)	(39,600)	(39,600)
Less Underwriters (WC)	(8,257)	(8,257)	(8,257)
Less T Mobile USA	(1,600)	(1,600)	(1,600)
<b>Net Recurring A/P Prior to 15th</b>	(296,457)	(321,457)	(346,457)
<b>Revenue</b>			
Plus State Tuition	3,377,830	3,377,830	3,377,830
Less Common School Loan	(452,856)	(452,856)	(452,856)
Less Roosevelt	(450,000)	(450,000)	(450,000)
Less TRF PERF	(230,000)	(230,000)	(230,000)
<b>Net Monthly Revenue</b>	2,244,974	2,244,974	2,244,974
<b>Net Cash Available</b>	7,661,328	3,890,437	1,198,973
<b>Recurring Account Payable Payments After the 15th :</b>			
Less AAA Valley Fire			
Less Alpha Building Maintenance	(250,000)	(250,000)	(250,000)
Less Central States	(6,000)	(6,000)	(6,000)
Less First Commonwealth - dental DHO Premium	(41)	(41)	(41)
Less Republic Services of Indiana	(6,000)	(6,000)	(6,000)

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	<u>9/5/2018</u>	<u>October</u>	<u>November</u>
Less IKORCC - H& W for Carpenters	(2,771)	(2,771)	(2,771)
Less NWI Painters - H&W	(1,098)	(1,098)	(1,098)
Less Pipefitters Local H&W	(1,773)	(1,773)	(1,773)
Less Lake Station Water & Sewer	(144)	(144)	(144)
Less Leasing Innovations	(11,541)	(11,541)	(11,541)
Less New Chicago Water Works (Deep River Water)	(146)	(146)	(146)
Less Lake Co Ind NECA-IBEW (Electricians H&W)	(2,118)	(2,118)	(2,118)
Less Indiana State Council of Roofers ( H&W)	(1,600)	(1,600)	(1,600)
Less CIGNA Monthly	(465,000)	(465,000)	(465,000)
Less United Healthcare	(22,000)	(22,000)	(22,000)
Less ATT/ENA	(25,000)	(25,000)	(25,000)
Less Bus Contract	(350,000)	(350,000)	(350,000)
Less Property Insurance	(34,000)	(34,000)	(34,000)
Less Gary Sanitation	(65,000)	(65,000)	(65,000)
Less Past Due Liabilities	-	-	-
Less External Legal Counsel	(18,750)	(18,750)	(18,750)
Less Labor Counsel	(6,000)	(6,000)	(6,000)
Less Gatekeeper Accounting	(9,000)	(9,000)	(9,000)
Less Payroll Taxes	(400,000)	(400,000)	(400,000)
<b>Recurring A/P After the 15th</b>	<b>(1,677,982)</b>	<b>(1,677,982)</b>	<b>(1,677,982)</b>
Less <b>2nd Monthly Payroll</b>	<b>(1,100,000)</b>	<b>(1,100,000)</b>	<b>(1,100,000)</b>
Less <b>Backlog A/P</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Nonrecurring Notable A/P</b>			
Less Monthly Operations	(200,000)	(200,000)	(200,000)
Less Insurance (Prop, Vehicle, etc.)			
Less Text Books	(567,000)		
Less Building Maintenance	(300,000)	(300,000)	
Less Debt Service	-	-	-
Less Loan Repayment	-	-	-
Less USDA Payback	(186,426)		
Less Accounting/HR Software	-		
Less HR Software	(12,000)	(12,000)	(12,000)
Less Vehicles/Transportation	(154,000)		
Less Building Readiness			
Less Audit Payback	(107,000)	(200,000)	

Gary Community Schools Corporation  
**All Funds Except Food Services**  
 Estimated Cash Flow Statement  
 September - November 2018

		<u>9/5/2018</u>	<u>October</u>	<u>November</u>
Less	Teacher Timing Payroll			
Less	Employee Payouts	(290,000)		
Net	<b>Nonrecurring A/P</b>	(1,816,426)	(712,000)	(212,000)
Plus	<b>Title Reimbursement</b>			
Plus	<b>Loan Proceeds 15-31</b>	-		
Plus	<b>Property Tax Revenue</b>	-		
Less	<b>3rd Monthly Payroll</b>	-	-	-
	<b>Ending Balance</b>	<u>3,066,920</u>	<u>400,456</u>	<u>(1,791,009)</u>

Based on this forecast, GCSC will have enough cash for obligations through the end of October.

Payroll Good Funds Dates:  
 September 12 and 26  
 October 10 and 24  
 November 7 and 21  
 December 5 and 19